

HOUSE BILL 2817
By Moore

AN ACT to amend Tennessee Code Annotated, Title 55 and Title 56, relative to the "Motor Vehicle Insurance Act of 2006".

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Motor Vehicle Insurance Act of 2006".

SECTION 2. Tennessee Code Annotated, Title 55, Chapter 4, is amended by adding as a new section, the following:

Section ____.

(a) It is the policy of the state of Tennessee that no vehicle shall be registered in the state of Tennessee which is not in compliance with the Financial Responsibility Law of 1977.

(b) No registration or renewal of registration of a motor vehicle shall be issued by the commissioner unless the application for registration or renewal is accompanied by evidence of financial responsibility as required by this section. Every registration shall be accompanied by the following notice: "THIS REGISTRATION SHALL AUTOMATICALLY TERMINATE UPON THE FAILURE TO MAINTAIN EVIDENCE SHOWING THAT THIS VEHICLE AND ITS OWNER MEET THE REQUIREMENTS OF THE TENNESSEE FINANCIAL RESPONSIBILITY LAW."

(c) Submission of one (1) of the following shall be evidence sufficient to show the motor vehicle's owner has complied with the requirements of the financial responsibility law as required in subsection (a):

(1) Documentation, such as the declaration page of any insurance policy, an insurance binder, or an insurance card from an insurance company authorized to do business in Tennessee, stating that a policy of insurance meeting the requirements of the requirements of the Financial Responsibility Law of 1977, compiled in chapter 12 of this title, has been issued; or

(2) A certificate, valid for one (1) year issued by the commissioner of safety stating that a cash deposit or bond in the amount required by the Financial Responsibility Law of 1977, compiled in chapter 12 of this title, has been paid or filed with the commissioner's office for the period of registration or renewal, or has qualified as a self-insurer under § 55-12-111.

(d) Upon the cancellation or termination of any policy of insurance which was used as a basis of the documentation provided in subsection (c)(1) prior to the expiration of such policy where no replacement policy is issued, the insurer shall within three (3) days provide notice to the commissioner and to the insured that, to the insurer's knowledge, the vehicle no longer meets the requirement of the financial responsibility law and that the registration of such vehicle will automatically terminate in ten (10) days unless such requirements are met.

(e) Upon the withdrawal of any cash deposit or bond which was used as a basis for the certificate provided in subsection (c)(2) prior to the expiration of such certificate, the commissioner of safety shall within three (3) days provide notice to the registrant that, to the commissioner's knowledge, the vehicle no longer meets the requirements of the financial responsibility law and that the registration of such vehicle will automatically terminate in ten (10) days unless such requirements are met.

(f) The registration of any vehicle shall automatically terminate ten (10) days from the date the commissioner receives notice pursuant to subsections (d) or (e), unless the owner of the vehicle provides the evidence provided in subsection (c).

(g) The commissioner shall, upon receipt of the notice provided in subsections (d) or (e), immediately notify the registrant that the registration of such vehicle has terminated unless the registrant submits the evidence provided in subsection (c).

(h) Any insurance company which fails to provide the notice required in subsection (d) shall remain liable to the extent of the original policy limits for any accident the policy would have covered during the period of validity of the certificate, or until the notice required in subsection (d) is provided to the commissioner, whichever is earlier.

SECTION 3. Until supplies of existing registrations or renewals for registration are exhausted by a specific county clerk, the notice required by Section 2 of this act may be attached as a separate statement.

SECTION 4. This act shall take effect January 1, 2007, the public welfare requiring it, and shall apply to all motor vehicle registrations and renewals of motor vehicle registrations after such date.